



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

MAR 19 2004

VIA FIRST CLASS MAIL

Warren Gotcher, Esq.
2626 14th Street
P.O. Box 160
McAlester, OK 74502

RE: MUR 4818
Francis Stipe

Dear Mr. Gotcher:

On March 12, 2004, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your client's behalf in settlement of violations of 2 U.S.C. §§ 441f and 441a(a)(1)(A), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Accordingly, the file has been closed in this matter as it pertains to Mr. Stipe.

The Commission reminds you that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) still apply, and that this matter is still open with respect to other respondents. The Commission will notify you when the entire file has been closed.

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact me at (202) 694-1650.

Sincerely,

A handwritten signature in cursive script, reading "Margaret J. Toalson".

Margaret J. Toalson
Attorney

Enclosure
Conciliation Agreement

24 "04" 403 "145"

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Francis Stipe

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MURs 4818 and 4933

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that Francis Stipe ("Respondent") knowingly and willfully violated 2 U.S.C. §§ 441f and 441a(a)(1)(A).

NOW, THEREFORE, the Commission and the Respondent, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i) and 11 C.F.R. § 111.18(d).

II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this agreement with the Commission.

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IV. The pertinent facts in this matter are as follows:

Actors

1. Walter L. Roberts was a candidate for Oklahoma's Third Congressional District in 1998. Roberts is also an artist and the owner of an auction company ("Auction Company") located in McAlester, Oklahoma.
2. Walt Roberts for Congress (the "Committee") was the political committee within the meaning of 2 U.S.C. § 431(4) for Roberts.
3. The primary election for the Democratic nomination to represent Oklahoma's Third Congressional District, which Roberts ran in, occurred on August 25, 1998. Roberts received the most votes in the primary, but not enough to avoid a runoff election, held on September 15, 1998. The general election occurred on November 3, 1998.
4. Gene Stipe was the founder of the Stipe Law Firm (the "Firm") located in McAlester, Oklahoma, where he was a senior partner until 2003. Gene Stipe was also an Oklahoma state senator representing a portion of Southeastern Oklahoma, and a political mentor and friend to Roberts. Gene Stipe was involved in running Roberts' campaign, from making strategic decisions to hiring and firing of staff.
5. Charlene Spears was an employee at the Firm and Gene Stipe's personal assistant. Spears was involved in the Roberts' campaign, making decisions on campaign purchases, instructing staff, and handling some of the campaign's banking.
6. Francis Stipe is Gene Stipe's brother.

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7. McAlester Industrial Credit Corporation was a defunct business, located in McAlester, Oklahoma, that used to provide small loans (\$50 to \$100). William Layden owned McAlester Industrial Credit Corporation.

Applicable Law

8. The Federal Election Campaign Act of 1971, as amended (the "Act"), makes it unlawful for any person to contribute to any candidate and his authorized political committee for Federal office more than \$1,000 per election. 2 U.S.C. § 441a(a)(1)(A). Nor can an individual make contributions aggregating more than \$25,000 in any calendar year. 2 U.S.C. § 441a(a)(3).
9. It is also unlawful for any person to make a contribution in the name of another, or for any person to knowingly permit his or her name to be used to make such a contribution. 2 U.S.C. § 441f. Moreover, no person may knowingly help or assist any person in making a contribution in the name of another. 11 C.F.R. § 110.4(b)(1)(iii).
10. The term contribution includes a loan or anything of value. 2 U.S.C. § 431(8)(A)(i).

Factual Background

11. On September 11, 1998, Francis Stipe loaned McAlester Industrial Credit Corporation \$50,000, which was then provided to Roberts and the Committee.
12. At the time of the alleged loan, McAlester Industrial Credit Corporation was defunct and not in business.
13. On September 11, 1998, the Committee deposited that \$50,000 into its account. Roberts was aware of the scheme and reported this contribution as a

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candidate loan to the campaign. On that same date, the Committee made \$34,000 in payments to several television stations for media purchases just days prior to the September 15 runoff election.

Violations

V. Respondent Francis Stipe violated 2 U.S.C. §§ 441f and 441a(a)(1)(A) by making an excessive contribution to Walt Roberts for Congress in the names of others. Respondent will cease and desist from violating 2 U.S.C. §§ 441f and 441a(a)(1)(A).

Civil Penalty

VI. Respondent will pay a civil penalty to the Federal Election Commission in the amount of Thirty-Five Thousand dollars (\$35,000.00), pursuant to 2 U.S.C. § 437g(a)(5)(A).

Other Provisions

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. Respondent shall have no more than thirty days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement.

IX. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party that is not contained in this written agreement shall be enforceable.

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FOR THE COMMISSION:

Lawrence H. Norton
General Counsel

BY:

Rhonda J. Vosdingh
Rhonda J. Vosdingh
Associate General Counsel
for Enforcement

3/18/04
Date

FOR THE RESPONDENT:

Francis Stipe
Francis Stipe

Jan. 16, 2004
Date

24-04-408-3504